NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises.

## PAID UP OIL AND GAS LEASE (No Surface Use)

^ ~ · · · · · · · · · · · · · · · · · ·	,
THIS LEASE AGREEMENT is made this	, 2009, by and between
1	vino
whose addresss is 3516 Cutter Street Fort Wo	ds Lesso
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texa hereinabove named as Lessee, but all other provisions (including the completion of blank spa	<u>s 75201, as Lessee.</u> All printed portions of this lease were prepared by the par
In consideration of a cash bonus in hand paid and the covenants herein contains.	hed. Lessor hereby grants, leases and lets exclusively to Lessee the following
described land, hereinafter called leased premises:	,
230 ACRES OF LAND, MORE OR LESS, BEING LOT(S)	8 , block $2$
OUT OF THE Truck les	ADDITION, AN ADDITION TO THE CITY O
Fort worth TARRANT COUNTY.	EXAS, ACCORDING TO THAT CERTAIN PLAT RECORDE
IN VOLUME 388-F , PAGE 731 OF T	HE PLAT RECORDS OF TARRANT COUNTY, TEXAS.
11 VOLONIE	TIL PERT NECONDO OF TANNANT COUNTY, TEXAS.
77.7	
in the County of <u>Tarrant</u> , State of TEXAS, containing <u>330</u> gross acres, m	ore or less (including any interests therein which Lessor may hereafter acquire b
reversion, prescription or otherwise), for the purpose of exploring for, developing, producing	ng and marketing oil and gas, along with all hydrocarbon and non hydrocarbo
substances produced in association therewith (including geophysical/seismic operations) commercial gases, as well as hydrocarbon gases. In addition to the above-described least	d premises, this lease also covers accretions and any small strins or narcels of
land now or hereafter owned by Lessor which are contiguous or adjacent to the above-desc	cribed leased premises, and, in consideration of the aforementioned cash bonus
Lessor agrees to execute at Lessee's request any additional or supplemental instruments for	a more complete or accurate description of the land so covered. For the purpos
of determining the amount of any shut-in royalties hereunder, the number of gross acres about	ve specified shall be deemed correct, whether actually more or less.
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a pri-	many term of Fig. (5) years from the date hereof, and fo
as long thereafter as oil or gas or other substances covered hereby are produced in paying of	quantities from the leased premises or from lands pooled therewith or this lease
otherwise maintained in effect pursuant to the provisions hereof.	
3. Royalties on oil, gas and other substances produced and saved hereunder shall be separated at Lesses's consider facilities, the country shall be	e paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbon
separated at Lessee's separator facilities, the royalty shall be	vided that Lessee shall have the continuing right to purchase such production a
the wellhead market price then prevailing in the same field (or if there is no such price the	In prevailing in the same field, then in the nearest field in which there is such
prevailing price) for production of similar grade and gravity; (b) for gas (including casi	ng head gas) and all other substances covered hereby, the royalty shall b
severance, or other excise taxes and the costs incurred by Lessee in delivering, processing	m the sale thereof, less a proportionate part of ad valorem taxes and production by otherwise marketing such gas or other substances, provided that I essee sha
have the continuing right to purchase such production at the prevailing wellhead market price	a paid for production of similar quality in the same field (or if there is no such pric
then prevailing in the same field, then in the nearest field in which there is such a prevailing	price) pursuant to comparable purchase contracts entered into on the same of
nearest preceding date as the date on which Lessee commences its purchases hereunder, a the leased premises or lands pooled therewith are capable of either producing oil or gas or o	ind (c) if at the end of the primary term or any time thereafter one or more wells o
hydraulic fracture stimulation, but such well or wells are either shut-in or production there from	b is not being sold by Lessee, such well or wells shall nevertheless be deemed t
be producing in paying quantities for the purpose of maintaining this lease. If for a period of	90 consecutive days such well or wells are shut-in or production there from is no
being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then cove depository designated below, on or before the end of said 90-day period and thereafter on o	ried by this lease, such payment to be made to Lessor or to Lessor's credit in the
are shut-in or production there from is not being sold by Lessee; provided that if this least	periore each anniversary of the end of said 90-day period while the well of well e is otherwise being maintained by operations, or if production is being sold b
Lessee from another well or wells on the leased premises or lands pooled therewith, no shut	in royalty shall be due until the end of the 90-day period next following cessatio
of such operations or production. Lessee's failure to properly pay shut-in royalty shall render	Lessee liable for the amount due, but shall not operate to terminate this lease.
<ol> <li>All shut-in royally payments under this lease shall be paid or tendered to Lessor or be Lessor's depository agent for receiving payments regardless of changes in the ownership</li> </ol>	to Lesson's credit in <u>at lesson's address above</u> or its successors, which sha
draft and such payments or tenders to Lessor or to the depository by deposit in the US Mail	s in a stamped envelope addressed to the depository or to the Lessor at the las
address known to Lessee shall constitute proper payment. If the depository should liquidate	or be succeeded by another institution, or for any reason fail or refuse to accept
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable 5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapa	
premises or lands pooled therewith, or if all production (whether or not in paying quantitie	s) permanently ceases from any cause, including a revision of unit boundarie
pursuant to the provisions of Paragraph 6 or the action of any governmental authority, t	hen in the event this lease is not otherwise being maintained in force it sha
nevertheless remain in force if Lessee commences operations for reworking an existing well on the leased premises or lands pooled therewith within 90 days after completion of operatio	or for drilling an additional well or for otherwise obtaining or restoring production
the end of the primary term, or at any time thereafter, this lease is not otherwise being ma	aintained in force but Lessee is then engaged in drilling, reworking or any other
operations reasonably calculated to obtain or restore production therefrom, this lease shall re	main in force so long as any one or more of such operations are prosecuted wit
no cessation of more than 90 consecutive days, and if any such operations result in the pro- there is production in paying quantities from the leased premises or lands pooled therewith.	dduction of oil or gas or other substances covered hereby, as long thereafter a
Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a	reasonably grudent operator would drill under the same or similar circumstance
to (a) develop the leased premises as to formations then capable of producing in paying que	uantities on the leased premises or lands pooled therewith, or (b) to protect th
leased premises from uncompensated drainage by any well or wells located on other lands additional wells except as expressly provided herein.	not pooled therewith. There shall be no covenant to drill exploratory wells or an
Lessee shall have the right but not the obligation to pool all or any part of the leas	the premises or interest therein with any other lands or interests, as to any or a
depths or zones, and as to any or all substances covered by this lease, either before or all	
proper to do so in order to prudently develop or operate the leased premises; whether or not unit formed by such pooling for an oil well which is not a horizontal completion shall not exce	
horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%	
completion to conform to any well spacing or density pattern that may be prescribed or perm	itted by any governmental authority having jurisdiction to do so. For the purpos
of the foregoing, the terms "ail well" and "gas well" shall have the meanings prescribed by a	
prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100;000 cubic feet present or more per barrel, based on 24-hour production test conducted under normal production.	
equipment; and the term "horizontal completion" means an oil well in which the horizontal	
equipment; and the term "horizontal completion" means an oil well in which the horizontal	
component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a Production, drilling or reworking operations anywhere on a unit which includes all or any ;	
reworking operations on the leased premises, except that the production on which Lessor's	
net acreage covered by this lease and included in the unit bears to the total gross acreage	in the unit, but only to the extent such proportion of unit production is sold b
Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereund	
unit formed hereunder by expansion or contraction or both, either before of after comment prescribed or permitted by the governmental authority having jurisdiction, or to conform to a	
making such a revision, Lessee shall file of record a written declaration describing the revise	d unit and stating the effective date of revision. To the extent any portion of th
leased premises is included in or excluded from the unit by virtue of such revision, the proportion and accordingly. In the absorber of production in proving quantities from a unit or unit	
be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon a written declaration describing the unit and stating the date of termination. Pooling hereunder	
<ol><li>If Lessor owns less than the full mineral estate in all or any part of the leased premis</li></ol>	ses, the royalties and shut-in royalties payable hereunder for any well on any par
of the tendent premines as leads made it have the start to and and the first of the start of the	-to interest in such part of the larged promises bears to the full mineral estate i

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers is interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with raspect to any interest not so transferred. If Lessee transfers is full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease, the obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest in less than all of the are

If Lessee releases all or an undivided interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements own or the leased premises or such other lands, and to commercial timber and growing props thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands dur

purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lossee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease. Lessee shall not have any rights to use the surface of the leased premises for drilling or other

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original. DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or

different terms depending on future markot conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Maria M Trevind ACKNOWLEDGMENT STATE OF COUNTY OF Tarrant This instrument was acknowledged before me on the March day of MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires Notary Dublic, State of October 05, 2011 's name (printed): Notary's commission expires: STATE OF COUNTY OF Tairent Marca instrument was acknowledged before me on the \_day of\_ revino Notary's name (printed)

MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

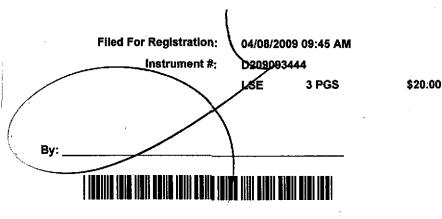
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>



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